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Sonya Pennock

06/11/03 10:59 AM

To: Ted Linnert/OCP/R8/USEPA/US@EPA

cc:

Subject: Press Release: EPA orders Rico mining company to pay for pollution cleanup

----- Forwarded by Sonya Pennock/OCP/R8/USEPA/US on 06/11/03 10:56 AM -----

Jody Ostendorf

06/11/03 09:02 AM

To: Sonya Pennock/OCP/R8/USEPA/US@EPA

cc:

Subject: Press Release: EPA orders Rico mining company to pay for pollution cleanup

FYI: All press releases are available on Region 8's web site (they're posted on the home page) after they've been distributed.

----- Forwarded by Jody Ostendorf/OCP/R8/USEPA/US on 06/11/03 08:58 AM -----

United States
Environmental Protection Agency
Region 8

Office of Communications and
Public Involvement (8OC)
999 18th Street, Suite 500

Colorado, Montana,
North Dakota, South Dakota,
Utah, Wyoming

Environmental News

FOR IMMEDIATE RELEASE

June 5, 2003 Sheldon Muller 303 312-6916
Jody Ostendorf 303 312-7814
General Inquiries 800 227-8917

EPA orders Rico mining company to pay for pollution cleanup

Denver -- On June 2, 2003, the U.S. Environmental Protection Agency (EPA) and the State of Colorado lodged consent decrees resolving litigation against the estates of two former shareholders of the Rico Development Corporation (RDC) for discharges from mine tunnels at the Rico Argentine mine site near the Town of Rico in southwest Colorado. The proposed settlements require the estates of the deceased shareholders, Wayne Webster and Virginia Sell, to pay \$180,000 and \$110,000, respectively.

The money will be deposited in the Rico-Argentine Special Account within EPA's Hazardous Substance Superfund, and the funds will be earmarked for conducting or financing any cleanup related to the site. If the money in the Special Account is not used at the site, it will be transferred to the EPA Hazardous Substance Superfund. The consent decrees are subject to a 30-day public comment period and approval by the U.S. District Court for the District of Colorado.

RDC was incorporated in 1988 by Mr. Webster and Ms. Sell's late husband for the purpose of developing the site, which is located along the Dolores River and one of its tributaries, Silver Creek, in the San Juan Mountains in Dolores County. Although RDC was not engaged in mining activities at the site, it was responsible under a permit issued by the State of Colorado for treating the contaminated mine water that discharges continuously from the St. Louis Tunnel, the main point of discharge from the mine. RDC frequently violated its permit limits over the years and then completely stopped treating the contaminated mine water in 1996. RDC thereafter abandoned the St. Louis Tunnel treatment plant and allowed the plant to be dismantled, prompting the July 1999 lawsuit by EPA and the State of Colorado.

RDC purchased the mine site from the Atlantic Richfield Company (ARCO). Predecessors of ARCO and NL Industries (formerly the National Lead Company) actively mined the area and dug the St. Louis Tunnel, which was the main focus of the lawsuit.

The proposed settlements will not be sufficient to reinstall and operate a treatment plant to treat the contaminated water discharged from the St. Louis Tunnel. However, EPA has been monitoring efforts by ARCO -- undertaken with the Town of Rico and the current mine owners -- that may result in the construction of such a plant. EPA will continue to oversee those efforts to ensure that a treatment plant is successfully constructed and operated.

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